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For more information, contact Peter Hancock
Public Information Officer
785/296-5603
Peter.Hancock@khpas.gov

KHPA Acting Director Announces Management Changes

Reorganization Reflects Narrower Focus, Reduced Staff

(TOPEKA) – Andrew Allison, Acting Executive Director of the Kansas Health Policy Authority, announced the elimination of 14 agency staff positions today, a significant reduction in contract expenses, and a reorganization of the agency’s management team.

“Like most other agencies, KHPA was asked to absorb significant budget cuts for the next fiscal year,” Allison said. “For us, the cuts totaled 15.5 percent of our operating budget. That has forced us to make some difficult decisions. We’re reducing the size of our staff and we’re narrowing the focus of the agency by concentrating our resources into core functions that directly relate to effectively managing state health care programs.”

Allison officially assumed the title of Acting Executive Director today, succeeding Marcia Nielsen who is leaving to return to the University of Kansas Medical Center.

On Friday, May 29, KHPA informed 13 employees that their jobs would be eliminated, effective July 2. With these reductions, KHPA’s workforce has been reduced by 42 positions that have been eliminated or held vacant to meet the budget. Also last week, KHPA notified its fiscal agent contractor, EDS, that the agency will reduce that contract in FY 2010 by \$3.6 million, including \$1.66 million from the State General fund. EDS is primarily responsible for processing claims for payment under Medicaid and the State Children’s Health Insurance Program (SCHIP). The cut will result in reduced customer and provider service administered through the contract. Savings from the contract reductions are shared with the federal government, which funds over half of Medicaid administrative costs.

Finally, Allison said, one executive position is being eliminated with the departure of Executive Director Nielsen, and the remaining executive positions are being realigned as follows:

- Doug Farmer, director of the State Employee Health Benefits Plan, will take on the added role of KHPA Deputy Director. He will oversee legislative relations and communications.

(more)

Rm. 900-N, Landon Building, 900 SW Jackson Street, Topeka, KS 66612-1220
www.khpas.gov

Medicaid and HealthWave:
Phone: 785-296-3981
Fax: 785-296-4813

State Employee Health
Benefits and Plan Purchasing:
Phone: 785-368-6361
Fax: 785-368-7180

State Self Insurance Fund:
Phone: 785-296-2364
Fax: 785-296-6995

- Dr. Barb Langner, who has headed KHPA's legislative and policy division, will step away from that role as that division is eliminated, and will serve as Acting State Medicaid Director.
- Scott Brunner, Chief Financial Officer and director of operations, will take on the additional role of supervising the agency's Human Resources and Legal Services divisions.

Allison noted that when KHPA was established in 2005, it was given the dual responsibility of managing state health care programs and developing a coordinated health policy agenda for the state. That statutory mandate included developing policy recommendations for the legislature that focused on improving the quality and lowering the cost of health care, as well as policies aimed at improving the health of all Kansans.

"We are proud of KHPA's role in developing long-term health policy recommendations," Allison said. "While many of those recommendations have not been enacted into law, the effort has focused attention on the real issues driving the health of the state. We've made progress, but circumstances have changed. Like other state agencies, we're going to have to adapt and make the best choices possible with the resources we have."

The KHPA Board is expected to discuss how to refine the agency's role and priorities during its annual strategic planning meeting, June 16-17.